

ICOMIA

EU Quarterly Report

Q1 2024

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Glossary of EU terms

Council of the European Union: One of the two co-legislative bodies of the EU (together with the European Parliament), made of the 27 EU Member State governments (represented by Member State Ministers). It adopts laws by co-decision with the European Parliament.

COREPER: Preparatory body of the Council, made up of Member States' Permanent Representatives to the EU.

EU Directive: EU law which has to be transposed into national law for its implementation.

EU Regulation: EU law which applies directly upon its adoption, without the need for transposition into national law.

European Commission: Executive body of the EU, in charge of proposing laws.

European Parliament: One of the two co-legislative bodies of the EU (together with the Council of the EU), made of elected MEPs (Members of the European Parliament). It adopts laws by co-decision with the Council of the EU.

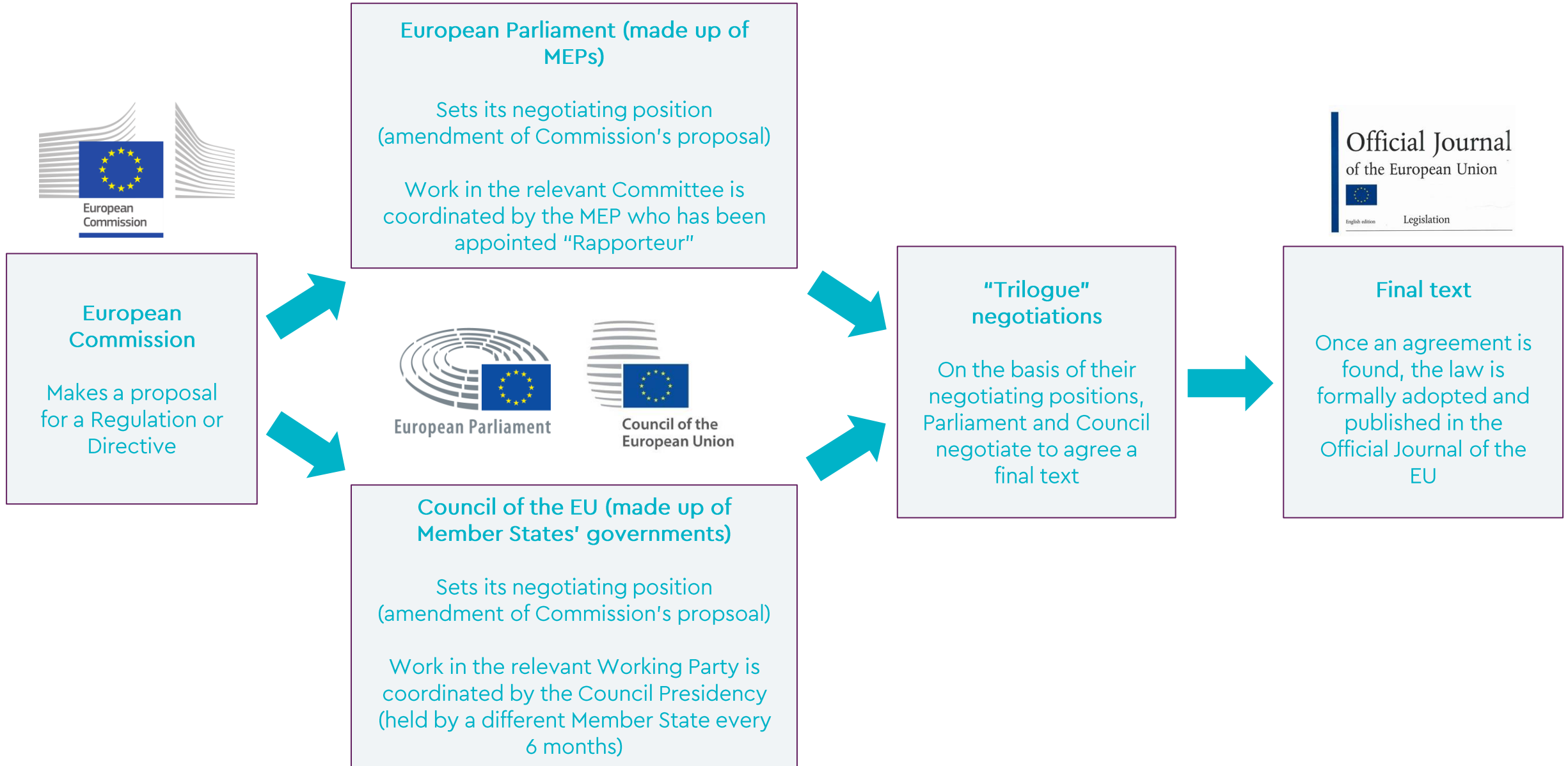
European Parliament Committees: Committees of MEPs, organised by policy area, which deal with specific proposals before they are adopted by the European Parliament plenary, e.g. ENVI Committee (Environment, Public Health and Food Safety), TRAN Committee (Transport and Tourism), IMCO Committee (Internal Market and Consumer Protection), ITRE Committee (Industry, Research and Energy).

Rapporteur: MEP in charge of coordinating the work for a specific proposal within a European Parliament Committee.

Trilogue: Negotiation between the European Parliament and the Council, also attended by the Commission, which aims at reaching an agreement on the final text of a proposal.

Working Parties: Preparatory bodies of the Council (below COREPER level) made up of Member State officials dealing with a specific policy area. There are over 100 Working Parties.

Reminder on EU policy-making process



1. Industrial Emissions Directive

Background:

- Industrial Emissions Directive ([2010/75/EU](#)):
 - Lays down rules to prevent and control industrial emissions into air, water and land, by requiring industrial installations from various sectors to apply the Best Available Techniques (BAT) and to be in possession of a permit in order to operate.
 - The requirements of the Directive can affect boat-producing installations, for instance if the production process involves the use of organic solvents above a certain threshold.
- In April 2022, the Commission released a [proposal](#) to revise the Directive:
 - Requires installations to comply with more stringent emission limits.
 - Extends the scope to include mining, battery manufacturing and livestock farming.
 - Obliges installations to have an Environmental Management System (EMS).
 - Establishment of an "Innovation Centre for Industrial Transformation and Emissions" (INCITE) to promote innovation.
- The Council [adopted](#) its negotiating position in March 2023 and the Parliament [adopted](#) its own in July 2023. After three trilogues, the co-legislators reached a [provisional agreement](#) on 28 November 2023. The following aspects were agreed:
 - Setting the strictest achievable emission levels.
 - Prioritising industrial plans focusing on energy, water, material efficiency and reuse.
 - Making environmental performance targets obligatory for water consumption.
 - Extending the scope of the Directive to cover mines, large installations manufacturing batteries, and some types of intensive livestock farms.
 - Easing the permitting process for industrial installations that apply for permits, by obliging Member States to establish an electronic permit (e-permit) system by 2035.

1. Industrial Emissions Directive

Latest developments:

- Council's COREPER endorsed the provisional agreement on 15 December 2023. Parliament's ENVI Committee endorsed it on 11 January 2024.
- The Parliament adopted the final law on 12 March 2024.

1. Industrial Emissions Directive

Next steps:

- The Council is expected adopt the law on 12 April 2024.
- Once adopted by the Council, the legislative procedure would be complete. The final text would be published in the EU Official Journal and enter into force on the twentieth day following that of its publication.
- Then, Member States will have to make the necessary adjustments in national law to implement the revision of the Directive within 22 months after the entry into force.

2. Carcinogens and Mutagens Directive (CMD)

Background (I):

- Directive [2004/37/EC](#) on the protection of workers from the risks related to exposure to carcinogens or mutagens at work:
 - Sets EU rules on the minimum requirements for protecting workers against risks to their health and safety arising from exposure to carcinogens and mutagens at work, and rules on the prevention of such risks.
 - It was amended in 2022 to also include reprotoxic substances (therefore becoming the Carcinogens, Mutagens and Reprotoxic substances Directive, CMRD).
 - It covers the substances, mixtures or processes referred to in Annex I.
 - It lays down Occupational Exposure Limits (OELs) for substances. These are listed in Annex III.
 - Employers must reduce the use of carcinogens, mutagens and reprotoxic substances at work, and must limit the number of workers exposed.
 - Employers must carry out risk assessments to determine the nature, degree and duration of workers' exposure on a regular basis (the information used for making the risk assessment, as well as other information, must be supplied to authorities if requested).
 - When unforeseeable incidents may lead to abnormal exposure, employers must inform workers accordingly.
 - Employers must take certain measures on hygiene, personal protection, and information and training of workers.
- The CMD is subject to a process of continuous revision to set new or revised Occupational Exposure Limits (OELs) for priority substances.

2. Carcinogens and Mutagens Directive (CMD)

Background (II):

- The sixth amendment of the occupational exposure limits (OELs) in the CMD will include five substances: welding fumes, PAHs, isoprene, cobalt, and 1,4-Dioxane.
- On 22 September 2023, the Commission's Advisory Committee on Health and Safety at Work (ACSH) adopted its [Opinions](#) on the five substances, proposing potential Binding Occupational Exposure Limits (BOELs), Biological Limit Values (BLVs) and Short-Term Exposure Limits (STELs). Based on these Opinions, the Commission will decide whether and how to integrate these substances in a proposal for a Regulation amending the CMD for the sixth time.

2. Carcinogens and Mutagens Directive (CMD)

Background (III):

- The seventh amendment of the OELs in the CMD could cover any of the substances listed in the Staff Working Document [SWD\(2022\) 438](#) (either adding new substances to the scope of the CMD or revising OELs for already listed substances). Several substances are being assessed by the European Chemicals Agency (ECHA) for potential inclusion in the CMD.
- On 23 October 2023, the ECHA released its [Scientific Report](#) assessing workplace limits for Boron and its compounds. ECHA's Risk Assessment Committee (RAC) is expected to draft an Opinion on the substance based on the Report and feedback. The Report makes the following recommendations:
 - An OEL (8h TWA) of 1.3 mg B/m³ is identified for workers.
 - As a respiratory irritation is observed in humans, a STEL is recommended. A 15-minute value of 0.75 mg B/m³ is identified based on effects reported with sodium tetraborate pentahydrate.
 - No BLV is proposed as biomonitoring has not been commonly used at workplaces.
 - No BGV is proposed as there is a great variability in the background concentration of the non-occupationally exposed population.
 - No skin or respiratory sensitisation notations are proposed.
- In a separate development, the RAC adopted its Opinion on the scientific evaluation of OELs for some nitrosamines. The text of the adopted Opinion was not made available.

2. Carcinogens and Mutagens Directive (CMD)

Latest developments (I):

- As for the seventh amendment of the OELs in the CMD:
 - On 19 December, the ECHA published its OEL [Scientific Report](#) for the evaluation of limit values for Bisphenol A and launched a two months [public consultation](#). The Report makes the following recommendations:
 - ECHA proposes an OEL of 0.5 mg/m³ (8h TWA) for Bisphenol A, based on reprotoxicity, with a 0.2 mg/m³ limit for site-of-contact effects.
 - No STELs are recommended, and BLV is undecided, with potential alignment to HBM4EU findings for BGV.
 - Bisphenol A, a skin sensitizer, warrants a 'skin sens' notation; no respiratory sensitization data necessitates no notation.
 - A 'skin' notation is suggested due to dermal absorption. Other Bisphenols receive similar notations for consistency.
 - The RAC's [Opinion](#) and its [Annex](#) on the scientific evaluation of OELs for some nitrosamines were made available, as well as the comments received to the [public consultation](#). RAC's Opinion on nitrosamines lacks proposed OELs, STELs, BLVs, or BGVs due to limited human data on non-cancer and reproductive effects. Notations suggest 'skin' based on in vitro tests showing skin penetration of NDMA and NDELA, indicating 23.6% and 2.6% absorption, respectively. The Opinion concerns the following substances:
 - N-Nitrosodiethylamine (diethylnitrosamine) (CAS 55-18-5)
 - (N-Nitrosodimethylamine (dimethylnitrosamine) (CAS 62-75-9)
 - N-Nitroso di-n-propylamine (CAS 621-64-7)
 - (N-Nitrosodiethanoamine (2,2'-(Nitrosoimino)bisethanol) (CAS 1116-54-7)

2. Carcinogens and Mutagens Directive (CMD)

Latest developments (II):

- On 6 March, a group of Member States submitted a [statement](#) calling on the Commission for an acceleration of the process of revising or setting new limit values, including by increasing the capacity of preparing scientific opinions for chemicals. The referred countries are: Cyprus, Czechia, Denmark, Finland, France, Germany, Italy, Lithuania, Luxemburg, the Netherlands, Portugal, Slovenia, Spain and Sweden.

2. Carcinogens and Mutagens Directive (CMD)

Next steps:

- The sixth amendment of the CMD (covering welding fumes, PAHs, isoprene, cobalt, and 1,4-Dioxane) is expected to be proposed by the Commission by the end of 2024.
- The seventh amendment of the CMD is expected to be proposed in the coming years, once all potential substances are assessed by the ECHA and by the Commission's Advisory Committee on Health and Safety at Work (ACSH). The substances that are currently in the pipeline are: respirable crystalline silica, 1,2,3-trichloropropane, 1,2-dichloropropane, 2,3-epoxypropyl methacrylate (glycidyl methacrylate), 2-chloro-1,3-butadiene (chloroprene), nitrosamines, 4,4-isopropylidenediphenol (bisphenol A), 1,3-butadiene, 1,2-dihydroxybenzene (pyrocatechol), boron and its compounds, and silicon carbide fibres.

3. MRV Regulation (monitoring, reporting and verification)

Background (I):

- Directive [2015/757](#) on the monitoring, reporting and verification of greenhouse gas emissions from maritime transport (the MRV Regulation):
 - Lays down rules for the accurate monitoring, reporting and verification of GHG emissions and of other relevant information from ships arriving at, within or departing from ports under the jurisdiction of a Member State.
 - It applies to ships of 500 gross tonnage and above, in respect of the GHG emissions released during their voyages for transporting cargo or passengers for commercial purposes. From 2025, it applies also to general cargo ships between 400 and 5000 gross tonnage transporting cargo for commercial purposes, as well as to offshore ships of 5000 gross tonnage and above.
 - Companies must monitor GHG emissions from vessels, documenting their methodology in a monitoring plan, as per Annexes I and II. They must submit an externally verified emissions report to the Commission and to the authorities of the flag states concerned.
- The MRV Regulation was amended by Regulation [2023/957](#), which adapted the MRV Regulation's provisions to the bring them in line with the revised ETS Directive, which has introduced the trading of emissions from maritime transport. The changes made to the MRV Regulation relate to the expansion of the MRV Regulation's scope, the reporting of aggregated emissions data at company level, and the role of administering authorities. Consequently, the MRV Regulation no longer covers only CO₂, but also methane (CH₄) and nitrous oxide (N₂O), both of which will apply from 2024. ETS obligations for maritime transport will kick in progressively between 2024 and 2026.

3. MRV Regulation (monitoring, reporting and verification)

Background (II):

- Following the amendment of the MRV Regulation to bring it in line with the new ETS Directive, which brings maritime transport into the ETS, the Commission has been working on secondary legislation associated with the MRV Regulation, thereby revising and updating certain aspects laid down in secondary laws. The new draft secondary laws includes the following:
 - [Draft Implementing Regulation](#) updating the templates for (a) monitoring plans, (b) emissions reports, (c) compliance documents, and (d) aggregated emissions data at company level. It will replace Implementing Regulation 2016/1927.
 - [Draft Delegated Regulation](#) revising Annexes I and II of the MRV Regulation, which include the methods and rules on the monitoring and reporting of GHG emissions from shipping, to take account of the Regulation's extended scope, which now covers methane and nitrous oxide emissions as well as GHG emissions from offshore ships.
 - [Draft Delegated Regulation](#) on rules for the reporting of aggregated emissions data at company level, and their submission to the administering authority responsible for the shipping company.
 - [Draft Delegated Regulation](#) on the verification activities, accreditation of verifiers, and approval of monitoring plans by administering authorities. It will establish the rules on these aspects, and will replace Delegated Regulation 2016/2072.

3. MRV Regulation (monitoring, reporting and verification)

Latest developments:

- The Commission has made progress on the secondary legislation associated with the MRV Regulation. Some secondary laws have been adopted and published in the EU Official Journal. These are the following:
 - On 7 November 2023, Implementing Regulation ([2023/2449](#)) was published in the EU Official Journal. As the previous draft, it updates the templates for (a) monitoring plans, (b) emissions reports, (c) compliance documents, and (d) aggregated emissions data at company level. It will replace Implementing Regulation 2016/1927.
 - On 14 December 2023, Delegated Regulation ([2023/2776](#)) was published in the EU Official Journal. As the previous draft, it revises Annexes I and II of the MRV Regulation, which include the methods and rules on the monitoring and reporting of GHG emissions from shipping, to take account of the Regulation's extended scope, which now covers methane and nitrous oxide emissions as well as GHG emissions from offshore ships.
 - On 15 December 2023, Delegated Regulation ([2023/2849](#)) was published in the EU Official Journal. As the previous draft, it sets out rules for the reporting of aggregated emissions data at company level, and their submission to the administering authority responsible for the shipping company.
 - On 29 December 2023, Delegated Regulation ([2023/2917](#)) was published in the EU Official Journal. As the previous draft, it sets out on rules he verification activities, accreditation of verifiers, and approval of monitoring plans by administering authorities. It will establish the rules on these aspects, and will replace Delegated Regulation 2016/2072.

3. MRV Regulation (monitoring, reporting and verification)

Next steps:

- The Commission should review the MRV Regulation by the end of 2024.

4. Surface and Groundwater Pollutants Proposal

Background:

- On 26 October 2022, the Commission released a [proposal](#) for a Directive amending the lists of water pollutants. The Directive will amend:
 - The Water Framework Directive (2000/60/EC)
 - The Groundwater Directive (2006/118/EC)
 - The Environmental Quality Standards Directive (2008/105/EC)
- The new Directive will revise the list of pollutants affecting surface water and groundwater, identifying new priority substances (including new priority hazardous substances), and would set corresponding Environmental Quality Standards.
 - Annex X of the Water Framework Directive, which lists 45 substances that must be progressively reduced or phased out from the aquatic environment, would become the revised Annex I of the Environmental Quality Standards Directive, which would deal only with surface water pollutants. Amending the list would be possible through Delegated Acts instead of Ordinary Legislative Procedure (therefore not needing co-decision between Council and Parliament, which is a lengthy process).
 - Annexes I and II of the Groundwater Directive would be revised. Annex I establishes groundwater quality standards for the purpose of assessing chemical status. Annex II sets the threshold values for groundwater pollutants as indicators of pollution. New substances would be added to both Annexes.

4. Surface and Groundwater Pollutants Proposal

Latest developments:

- As previously reported by Logos, on 12 September 2023 the Parliament's plenary adopted the Parliament's [position](#) on the Commission proposal. An extended list of measures can be found below:
 - Adding PFAS to list of groundwater and surface water pollutants.
 - Requesting Member States to notify other Member States that could be adversely affected by a pollution incident, and they should put in place arrangements for emergency communication and response.
 - Adding details on procedure to notify the Commission in case of water management issues, and shorter deadline for the Commission to respond.
 - Timeline for Member States to reduce pollution, discharges and emissions of priority substances and river basin-specific pollutants.
 - Members of the public must have access to a review procedure before a court of law.
 - Regarding the Water Framework Directive (WFD), the Commission will publish a comprehensive assessment on the possible application of continuous, precise, and real-time pollution monitoring systems of water quality measurements.
 - Regarding the Groundwater Directive (GWD), the threshold values applicable to groundwater will be required to be 10 times lower than the corresponding Environmental Quality Standards (EQS) for surface water. In addition, the protection of groundwater ecosystems, vulnerability or pollution, the extended producer responsibility and the EU monitoring facility will be improved.
 - Regarding the Environmental Quality Standards Directive (EQSD), a new provision prioritising restrictions and other control-at-source measures is included and a Watch List should be created containing at least five substances or groups of substances that could pose significant risks at the EU level.

4. Surface and Groundwater Pollutants Proposal

Next steps:

- Although MEPs adopted an internal negotiating position on the Commission's proposal in September 2023, the Parliament is expected to meet again in plenary to adopt the text as its first reading position on 24 April 2024. This is a common procedure ahead of EU elections to avoid that the file lapses at the end of the legislature.
- The Council will hold further meetings to prepare its internal position (General Approach).
- Trilogues will begin once the new Parliament assumes office (most likely by Q4 2024) after the EU elections in June 2024.
- Regarding the Bathing Water Directive, the Commission is expected to release an evaluation of the Directive and possibly a revision proposal in spring 2024.

5. Ship-source pollution and penalties for infringements

Background:

- Directive on ship-source pollution and on the introduction of penalties for infringements ([2005/35](#)): incorporates international standards for ship-source pollution from any ship to ensure that persons responsible for discharges are subject to adequate penalties.
- The Sustainable and Smart Mobility Strategy ([2020](#)) announced a revision of the Directive, with the [proposal](#) presented by the Commission on 1 June 2023.
- The proposal aims at:
 - (i) incorporating international standards into EU law by aligning the Directive with Marpol Annexes on discharges into the sea.
 - (ii) supporting Member States by building their capacity to detect pollution incidents, verify, collect evidence and effectively penalise identified offenders in a timely and harmonised manner.
 - (iii) ensuring that persons responsible for illegal discharges from ships are subject to effective, proportionate and dissuasive penalties.
 - (iv) ensuring simplified and effective reporting on ship-source pollution incidents and follow-up activities.
- The proposal contains a robust framework for penalties for infringements, and their application. In addition, it sets out measures to strengthen enforcement.
- The proposal extends the range of substances classified as polluting: those subject to regulation by Marpol 73/78 Annexes I (oil), II (noxious liquid substances in bulk), III (harmful substances carried by sea in packaged form), IV (sewage from ships), V (garbage from ships) and Exhaust Gas Cleaning System residue.

5. Ship-source pollution and penalties for infringements

Latest developments:

- On 28 February 2024, the [provisional agreement](#) reached by the Parliament and the Council was published. The key provisions of the final law are the following:
 - Scope: Ensures that not only persons, but also companies responsible for illegal discharges from ships are subject to effective, proportionate and dissuasive penalties.
 - Infringements and exceptions: Member States must treat discharges of polluting substances into specified areas as infringements, except under certain conditions specified in Marpol 73/78.
 - Maintains the list of polluting substances proposed by the Commission.
 - Administrative penalties: Member States must establish penalties for breaches of the directive, including fines imposed on liable companies.
 - Inspections and enforcement: Procedures for inspections and enforcement actions when irregularities or suspicions arise regarding pollution offenses.
 - Exchange of information and experience: Cooperation among Member States and the Commission for exchanging information, developing control systems, and organising training to ensure effective implementation and enforcement of the directive.
 - Reporting: Establishment of an electronic reporting tool for Member States to report on enforcement actions, inspections, and penalties imposed.
 - Evaluation and Review: Mandate for the Commission to evaluate the directive within a specified timeframe based on implementation experiences, reported information, and scientific findings, with a possibility of modifying the scope if needed.

5. Ship-source pollution and penalties for infringements

Next steps:

- Over the coming weeks, the Parliament and the Council will endorse the provisional agreement through their respective procedures.
- The law will then be published in the EU Official Journal and enter into force 20 days after its publication.
- Then, Member States will have to make the necessary adjustments in national law to implement the revision of the Directive within 30 months after the entry into force.

6. Waste Framework Directive

Background:

- Directive [2008/98/EC](#) on Waste:
 - Lays down measures to protect the environment and human health by preventing or reducing the generation of waste, preventing or reducing the adverse impacts of the generation and management of waste, reducing the overall impacts of resource use, and improving the efficiency of such use.
 - It applies the following waste hierarchy as a priority order in waste prevention and management legislation and policy: (a) prevention, (b) preparing for reuse, (c) recycling, (d) other recovery (e.g. energy recovery), and (e) disposal.
 - The Directive also sets out some measures concerning hazardous waste and waste oils.
 - Under the 2018 revision of the Directive, Member States must take a number of measures to prevent waste generation, including identifying the products that are the main source of marine litter in natural and marine environments and aiming to halt the generation of marine litter.
- The Commission announced a revision of the Directive. The revision aimed to:
 - Improve waste management in line with the waste hierarchy.
 - Include measures promoting reuse of products, reduction of waste generation and mixed waste, and increasing preparation for reuse or recycling of waste.
 - Address textile and food waste.
- On 5 July 2023, the Commission presented a [proposal](#) for a revision of the Waste Framework Directive. The scope of the revision was limited to food and textile waste. The revision does not affect the provisions related to hazardous waste and waste oils, which could be the most relevant to the boating industry.

6. Waste Framework Directive

Latest developments:

- On 12 March 2024, the Parliament adopted its [position](#), which includes the following provisions:
 - Maintains the targeted revision proposed by the Commission limiting the scope to food and textile waste. There are no measures concerning hazardous waste and waste oils.
 - By 31 December 2025, the Commission will conduct a study on applying end-of-waste criteria to plastic polymers in marine litter, considering Member States' best practices and may enact implementing acts for uniform criteria.
 - New article requiring the Commission to evaluate this Directive by 31 December 2026.

6. Waste Framework Directive

Next steps:

- According to the latest information from the Council, the Belgian Presidency is currently in the process of preparing a negotiating mandate which is expected to be made available before the end of the legislative cycle.

7. Green Claims Directive

Background:

- [Proposal](#) for a Directive on substantiation and communication of explicit environmental claims (Green Claims Directive) (2023): would set common criteria against greenwashing and misleading environmental claims. It covers explicit claims and the proliferation of new public and private environmental labels. Claims already covered by EU laws are excluded from the scope.
- The proposal would:
 - Oblige companies to respect minimum requirements when communicating and substantiating green claims. Companies would have 30 working days after being notified to fix non-compliant claims, and countries would have to implement penalties in case of non-compliance. That includes fines to issue money gained through misleading claims or temporary exclusion for up to 12 months from public procurement processes and access to public funding.
 - Companies would have to back their claims with scientific evidence which considers environmental standards.
 - No longer permit labels which use aggregate scoring of the product's overall environmental impact.
 - Regulate further environmental labels to avoid their proliferation.
 - Forbid new public labelling schemes while and new private schemes will need to be assessed before being approved.
 - If the future results of the monitoring and evaluation of this Directive indicates the necessity of it, ban the environmental claims for products containing hazardous substances except where their use is considered essential for the society.
- On 20 December 2023, the Council made available a [Compromise text](#) covering certain sections of a proposal. Some of the suggested changes are the following:
 - Extended scope to include claims related to environmental labelling schemes.
 - Amendments to specify climate-related claims.
 - New provision to allow certain claims without the need for a full life-cycle analysis.
 - New provision to mandate traders to present specific environmental label information, such as certification, in a digital format.

7. Green Claims Directive

Latest developments:

- The Parliament adopted its [position](#) on the file on 12 March 2024:
 - The evidence supporting environmental claims would need to be assessed within 30 days; however, simpler claims and products could benefit from quicker or easier verification.
 - While micro enterprises would be exempted by the Directive, SMEs would be granted an extra year to be in compliance with the rules.
 - Penalties would also be implied to companies, including the temporary exclusion from public procurement tenders or the imposition of fines decided by the Member States.
 - Additionally, claims being based solely on carbon offsetting schemes would remain banned.
 - Even if the possibility of a prohibition will be reviewed by the Commission, the Parliament suggested allowing claims on products containing hazardous substances.
 - Verifiers would be obliged to provide an estimation of verification processes.

7. Green Claims Directive

Next steps:

- As the Parliament has adopted its position at first reading, the procedure for this file will not lapse at the end of the current legislature.
- Once the Council has established its position, it can decide on whether or not to initiate interinstitutional negotiations (trilogues) with the Parliament.

8. Hydrogen Bank

Background (I):

- The EU strategy on hydrogen ([COM/2020/301](#)) aims to increase the production of renewable hydrogen in the EU.
- On 16 March 2023, the Commission released the Communication on a European Hydrogen Bank ([COM/2023/156](#)) as part of this strategy. It aims to unlock private investment in the development of renewable hydrogen market and to cover cost gap between fossil fuels and renewables:
 - 1 – Creating an EU hydrogen domestic market through new financing mechanisms:
 - Fixed premium auctions under the Innovation Fund, starting in autumn 2023.
 - EU Auction Platform to also allow participation of Member States.
 - 2 – Supporting international hydrogen production and imports to the EU. The Commission would assess possible sources of funding to cover cost gap for third country producers, and possible auction scheme.
 - 3 – Coordination and transparency on hydrogen flows, transactions and prices, coordinated by the Commission.
 - 4 – Coordination with existing project financing instruments (InvestEU, cohesion policy, Horizon Europe, etc.).
- On 23 November 2023 the Commission launched the first auction under the European Hydrogen Bank:
 - Producers of renewable hydrogen can bid for support in the form of a fixed premium per kilogram of hydrogen produced. The bids should be based on a proposed price premium per kilogram of renewable hydrogen produced, up to a ceiling of 4.5€/kg.
 - The premium is intended to bridge the gap between the price of production and the price consumers are currently willing to pay, in a market where non-renewable hydrogen is still cheaper to produce.
 - The selected projects will receive the awarded subsidy on top of the market revenues that they generate from hydrogen sales, for up to 10 years. Once projects have signed their grant agreements, they will have to start producing renewable hydrogen within five years.

8. Hydrogen Bank

Background (II):

- The Commission is also offering a new "[Auctions-as-a-service](#)" mechanism under the Hydrogen Bank. This will enable Member States to finance projects which have bid in the auction, but not been selected for Innovation Fund support due to budget limitations. This allows them to award national funding to additional projects on their territory, without the need to run a separate auction at national level.
- On 14 December 2023, the Parliament adopted in plenary its [Resolution](#). It stresses that the European Hydrogen Bank should prioritise the domestic production of renewable hydrogen and its use by hard-to-abate industries and heavy transport, while recognising the transitional role of low-carbon hydrogen and emphasising the need for regional auctions to ensure a geographical balance in renewable hydrogen production across the EU.

8. Hydrogen Bank

Latest developments:

- The first round of auctions closed on 8 February 2024 and received 132 bids from 17 European countries. The total support requested far exceeds the currently available budget of €800 million, provided by the Innovation Fund.

8. Hydrogen Bank

Next steps:

- Applicants will be informed about the evaluation results in April/May 2024 and successful applicants will be invited to prepare and sign the Grant Agreements.
- The Grant Agreements will be signed by November 2024 at the latest. The selected projects will have to start producing renewable hydrogen within five years of signing the grant agreement. They will receive the awarded fixed premium subsidy for up to 10 years and only upon certified and verified renewable hydrogen production.
- In parallel to finalising the evaluation, the Commission will draw the lessons learned from this pilot and consult industry stakeholders on the draft Terms & Conditions for the second round of the hydrogen auction, which it aims to launch before the end of the year.
- Furthermore, the Commission will be organising an Innovation Fund Battery manufacturing stakeholder [workshop](#) on 25 April 2024 to gather information about ways to boost component manufacturing along the European battery value chain.

9. Trade issues

Australia (negotiations ongoing):

- Background:
 - In July 2018, the Commission and Australia launched negotiations for a comprehensive trade agreement, which would cover the following issues: trade in goods, rules of origin, customs and trade facilitation, sanitary and phytosanitary products, technical barriers to trade, non-tariff barriers, trade defence instruments, trade in services and investment, movement of business persons, digital economy, capital movements and payments, IP rights, public procurement, trade and competition, state owned enterprises, consumer protection, SMEs, energy and raw materials, trade and sustainable development, regulatory cooperation, and transparency.
 - The 15th round of negotiations took place from 24 to 28 April 2023 ([Report](#)). The Chapters, Sub-Chapters and Annexes on Technical Barriers to Trade, Intellectual Property Rights, Rules of Origin, Digital Trade, Sanitary and Phytosanitary Measures, Sustainable Food Systems, Financial Services, Cross Border Trade in Services, Trade Remedies, Anti-Fraud, Rules of Procedures of the Trade Committee, as well as the Preamble, were concluded.
 - On 25 May, the Foreign Affairs Council held a meeting. Commission Executive Vice President Dombrovskis indicated that the EU aims to conclude the negotiations with Australia by mid-July 2023. However, negotiators failed to reach an agreement in July due to some obstacles related to the EU's beef market.
 - According to media reports, the EU and Australian trade representatives discussed the EU-Australia FTA on the sidelines at the G7 meeting on 29 October. However, disagreements remain over agricultural market access.
- Latest developments:
 - On 4 January 2023, Commissioner for Agriculture Wojciechowski provided information on the state of negotiations for an EU-Australia FTA. Despite the unsuccessful attempt to conclude the negotiations in October 2023, negotiations are ongoing, and the EU is working to find effective solutions to its agriculture's interests.

9. Trade issues

New Zealand (negotiations concluded):

- Background:
 - On 17 February 2023, the Commission presented a proposal for a Council Decision on the [signing](#) and [conclusion](#) of the EU-New Zealand Free Trade Agreement (FTA).
 - On 27 June 2023, the Council adopted its Decision on the signing of the FTA and the request for the Parliament's consent on its conclusion ([press release](#)). Among other aspects, the agreement, once in place, will:
 - On 9 July 2023, the Commission signed the [EU-New Zealand Free Trade Agreement](#).
 - On 24 October 2023, the INTA Committee adopted the [Recommendation](#) and [Report](#) inviting the Parliament to give its consent to the conclusion of the EU-New Zealand FTA. On 22 November, the Plenary adopted them. On 22 November 2023, the Council adopted its Decision on the conclusion of the FTA. The Decision approves the Agreement on behalf of the EU ([press release](#)).
- Latest developments:
 - On 28 February 2024, the EU-New Zealand FTA [agreement](#) and the Council Decision ([2024/244](#)) on the conclusion of the agreement were published in the EU Official Journal. Some of the provisions included in the agreement are the following:
 - Trade in Goods: New Zealand removes import tariffs on various goods, and the EU eliminates duties on New Zealand food and drink exports.
 - Rules of Origin: Ensures products significantly processed in either party benefit from tariff preferences.
 - Customs, Trade Facilitation, and Remedies: Includes transparency provisions, trade defense instruments against unfair practices, and a safeguard mechanism for sudden import increases.
 - Sanitary and Phytosanitary Measures: Upholds EU standards on antimicrobial resistance and follows the WTO SPS Agreement.

9. Trade issues

[...]

- Investment, Digital Trade, and Services: Guarantees fair competition, facilitates movement of professionals, and protects digital trade.
- Public Procurement: Opens procurement markets beyond WTO requirements.
- Intellectual Property: Comprehensive protection for IP rights and enforcement, including Geographical Indications (GIs).
- Trade and Sustainable Development: Includes provisions for labour rights, environmental protection, and civil society involvement in monitoring and enforcement.
- Energy and Raw Materials: Addresses export restrictions, promotes trade in sustainable energy goods, and eliminates dual pricing.

9. Trade issues

Japan (negotiations concluded):

- Background:
 - Following 18 rounds of negotiation, the [EU-Japan Economic Partnership Agreement](#) was concluded in December 2017, and entered into force in February 2019.
 - It removed the vast majority of duties paid by EU companies and opened the Japanese market in a range of sectors. It sets high standards of labour, safety, environmental protection, consumer protection and data protection, fully safeguards public services, and has a dedicated chapter on sustainable development. This agreement is the first to include a specific commitment to the Paris Agreement.
 - On 12 May 2023, the EU and Japan launched a [Digital Partnership](#), which establishes an advanced cooperation between the two countries on digital issues.
- Latest developments:
 - On 30 January 2024, the EU and Japan held the first Working Group to discuss economic security and supply chains.
 - The newly established Working Group is especially relevant in light of the recent publication of the European Economic Security Strategy package ([2024](#)), seeking further synergies with partners on tools such as anti-coercion instruments, export controls and investment screening. The topics of discussion will be the following:
 - Strengthening multilateral efforts to regulate state support for industrial sectors.
 - Trade strategies focus on diversifying supplies in vulnerable areas and building sustainable, resilient supply chains.

9. Trade issues

Singapore (negotiations concluded):

- Background:
 - The [EU-Singapore Free Trade Agreement and Investment Protection Agreement](#) were signed in October 2018 and entered into force in November 2019. The agreement aims to remove all customs duties and get rid of overlapping bureaucracy, improve trade for goods like electronics and food, stimulate green growth, and encourage investment from EU and Singaporean companies.
 - On 1 February 2023, the EU and Singapore launched a [Digital Partnership](#), which establishes an advanced cooperation between the two countries on digital issues with a view to fostering economic growth and a human-centric digital transformation based on common values. It sets out a list of joint actions to be taken by the partners, which includes enhancing research cooperation in cutting edge technologies such as artificial intelligence (AI) and semiconductors, promoting cooperation in regulatory approaches such as in the field of electronic identification (eID), fostering investments in resilient and sustainable digital infrastructures, ensuring trusted cross-border data flows in compliance with data protection rules, promoting information exchange and cooperation in the field of cybersecurity, facilitating digital trade, and enhancing digital education and skills, among others.
 - On 14 April 2023, the Commission released a [recommendation](#) for a Council Decision authorising the opening of negotiations for EU-Singapore Digital Trade Disciplines. The negotiations would build on the cooperation on digital trade created by the EU-Singapore Digital Partnership and would cover (among others): (a) facilitation of electronic transactions; (b) customs duties on electronic transmissions and the transmitted content; (c) consumer trust; (d) cross-border data flows with trust, data localisation requirements and personal data protection.
 - On 20 July, a [Joint Statement](#) on the launch of negotiations for a EU-Singapore digital trade agreement was published.
- Latest developments: There have been no relevant updates.

9. Trade issues

Vietnam (negotiations concluded):

- Background:
 - Negotiators signed the [EU-Vietnam Trade Agreement and Investment Protection Agreement](#) in June 2019. The Trade Agreement entered into force in August 2020.
 - The agreements eliminated 99% of all tariffs, reduced regulatory barriers and overlapping red tape, ensured the protection of geographical indications, and opened up services and public procurement markets.
- Latest developments: There have been no relevant updates.

9. Trade issues

Mercosur (negotiations ongoing):

- Background:
 - After two decades of on-off negotiations, the EU and Mercosur (Argentina, Brazil, Paraguay and Uruguay) reached a political agreement in June 2019 for a comprehensive [EU-Mercosur Trade Agreement](#) in order to increase bilateral trade and investment and reduce tariff and non-tariff trade barriers.
 - In January 2020, the Austrian government rejected the trade agreement in its current form. Since then, other Member States such as France have also been reluctant to follow through with the agreement. The agreement therefore remains blocked in the Council. It has not yet been finalised, signed or ratified.
 - In June 2023, Commission Executive Vice-President Dombrovskis indicated that starting in 2024, the EU will only allow products free from deforestation on its market due to the Deforestation Regulation.
 - In November 2023, media reported that Brazilian Foreign Minister insisted that if the EU goes ahead with deforestation requirements, Brazil will not sign the EU-Mercosur Free Trade Agreement (FTA).
 - The agreement was expected to be reached on 7 December 2023, when Mercosur met for their annual summit. However, Commission President Ursula von der Leyen and Executive Vice-President Valdis Dombrovskis did not take part in this Mercosur summit due to uncertainties with Argentina's new government. Previously, Argentina's former President Alberto Fernández publicly stated that he would not sign the Agreement as he considered the deal to excessively favour EU industrial exports and restrict South American agricultural exports.
- Latest developments:
 - According to media sources, French President Macron stated that the EU needed to reconsider some provisions of the Agreement as they are not acceptable to EU farmers. For his part, German Chancellor Olaf Scholz stressed that the Agreement would play a geostrategic role and would contribute to improving the EU's economic growth.
 - The agreement will probably not be concluded before EU elections.

9. Trade issues

UK:

- Background:
 - On 1 February 2020, the [Withdrawal Agreement](#), which established the terms of the UK's orderly withdrawal from the EU entered into force.
 - In May 2021, the [EU-UK Trade and Cooperation Agreement](#) (TCA) entered into force. It sets out preferential arrangements in areas such as trade in goods and in services, digital trade, intellectual property, public procurement, road transport, energy, fisheries, law enforcement, thematic cooperation, and participation in EU programmes.
 - In June 2022, the UK government introduced draft legislation to unilaterally revise the Northern Ireland protocol, in response to which the Commission launched legal actions against the UK. On 29 June 2023, [Regulation \(EU\) 2023/1231](#) was published in the EU Official Journal. It sets out specific rules relating to the entry into Northern Ireland from other parts of the United Kingdom of certain consignments of retail goods, plants for planting, machinery and certain vehicles operated for agricultural or forestry purposes. The measure entered into force on 2 July 2023.
 - On 27 June 2023, the UK and EU signed the [Memorandum of Understanding](#) (MoU) on Financial Services Cooperation. It includes: bilateral exchanges of views on various issues including market developments and financial stability issues.
- Latest developments:
 - On 31 January 2024, the [proposal](#) for a Council Decision aiming to improve the operation of the schemes set out in Decision ([1/2023](#)) of the Joint Committee in relation to the application of UK tariff rate quotas as regards the importation of the goods specified in the proposed Annex V into Northern Ireland was published in the EU Official Journal.

9. Trade issues

US:

- Background:
 - On 18 April 2023, the [US Inflation Reduction Act](#) took effect. It links US home production to subsidies and tax breaks.
 - In June 2023, the EU and US announced they would start negotiations for a [Critical Minerals Agreement \(CMA\)](#). The agreement would foster EU-US supply chains in critical raw materials needed for electric vehicle batteries and would cover: trade facilitation; cooperation to enhance the sustainability of the critical raw material sector; promotion of labour rights in the critical raw materials sector; common standards to strengthen sustainable and fair supply chains.
 - In October 2021, the EU and US agreed to start discussions on a [Global Arrangement on Sustainable Steel and Aluminium](#) through the creation of a "green steel club". The Global Arrangement will seek to ensure the long-term viability of both industries, encourage low-carbon intensity steel and aluminium production and trade, and restore market-oriented conditions. Previously, the US had removed Section 232 tariffs on EU steel and aluminium exports and the EU had started to take steps to suspend its rebalancing measures against the US.
 - The deadline for agreement was 31 October 2023. Failure to reach a deal would trigger automatic reinstatement of US tariffs and EU retaliatory measures starting 1 January 2024. On 19 December 2023, the European Commission extended the suspension of its tariffs on US products until 31 March 2025, pending the start of the next US government ([press release](#)).
- Latest developments:
 - The [5th TTC](#) (Trade and Technology Council) ministerial meeting took place in Washington on 30-31 January 2024. The EU and US agreed to: boost trade in green technologies, make tangible progress on digital trade tools, intensify the coordination on the availability of critical raw materials crucial for semiconductor production, cooperate on artificial intelligence and 6G.
 - The 6th TTC ministerial meeting is scheduled to take place in Leuven on 4-5 April 2024.

contact.

logos

secretariat@logos-pa.com

www.logos-pa.com

logos public affairs

Avenue des Arts, 47

1000 Brussels

+32 02 588 24 31

logos

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